App. F. IX-4.

1925.6.
(G.F.)

File No. G.F. 275-25

Serial Nos. 1 & 2.

Previous references.
Mily 98-15-13.
G.F. 263-18-2
G.F. 223-23-2
G.F. 3-24-2.
G.F. 63-24-15

Later references.
Mil. 329-29 (1925) 101
222-30 41-5
G7 293-41(84)-2
GF 176-45(4,7,8,9,10)

Later Ref.
G7 176-45-1.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two.

115
24
460
230

Part B for August 26

SUBJECT

Submits proposals in regard to the adoption of the Decentralization Scheme as suggested in Mr. K. R. Krishnaswamy Iyengar's note of 14th June 1924.

No. 2.

To The Comptroller to Government
The Chief Commandant in Mysore
The Heads of Departments
The Deputy Commissioners of Districts
The Secretaries to Government

No. FR 1527-86. dated 21st August 1925.

Orders the formation with effect from 1st Oct: 1926 of a financial branch within the military department and directs that before that date all preliminary measures necessary for the conduct of audit and financial work of the military department should be taken

Serial No

Note on the decentralisation of audit in the Mily Dept

1) In July 1924, the Comptroller forwarded the note drawn up by Mr. K. R. Krishnaswami Iyengar Asst Comptroller on Special duty, on the decentralization of audit and accounts pertaining to the Mily Dept. The important features of the scheme are:—

(1) transfer of the detailed audit work now done in the Comptroller's office to the office of the Chief Cond

(2) making the Mily Dept responsible for getting out monthly a classified account of its transactions and sending it to Comptroller for incorporation in his General Books.

(3) Audit by the Comptroller in regard to the Mily Dept under the new arrangement will be limited to the Supervisory and test audit.

(4) Entertainment of the hitherto noted extra establishment at a cost of Rs 4932 per annum for giving effect to the scheme, being one a. This establishment includes the accountant now transferred from the Comptroller's

for
Pay section — one Cashier on Rs 70
one Shroff on 30.

Audit & compilation section — 2 accountants on Rs 70-5-100
2 clerks on 30-5/2-65.

2) Assisting the Mily Auditor during local inspection etc — 1 accnt on 70-5-100.
Maintaining — 1 clerk on 30-5-65.

Note—Contn. Sheet

Serial No

Mr Krishnaswamy Iyengar alludes also to the necessity of replacing the 7 clerks on Rs 20/- each in the Regiments by 7 Graduated accountants on Rs 80/- each. The extra cost on this account will be Rs 4620/- per annum.

2) The Scheme has been approved by the Comptroller and the Chief Secretary.

3) The Secretary was of opinion that the new arrangement might be tried as a tentative measure for a period of two or three years. As regards the establishment proposed, the Secretary has made the following remarks:

"As regards the additional establishment proposed, it would have been well if the particulars of the existing accounts establishment in the Bills office and of the work on which it is now employed had been mentioned. As the establishment proposed is stated to be extra, the object is apparently to provide for additional work proposed

Paras 2 to 8 of the note in G.O. file 16 of 24 below.

Serial No

to be entrusted to that office. As under the system proposed, the CB's office is not likely to handle much cash, the need for a shroff in addition to a cashier is not clear. As for maintaining the records, I am not sure if there is not already a record-keeper in the establishment of the Brigade. As for the care of vouchers what is wanted is a literate attender who can be expected to put the vouchers in order, find them and be in charge of them.

" Allusion is made in Mr. Krishnaswami Iyengar's note to the need for giving properly qualified accountants to the Regiments and on this point the Brigade has not expressed any definite opinion. If the existing accounts staff of the Regiments is capable of doing the work required of it the revision of the establishment of Regimental offices need not be considered here.

" The additional cost involved by the proposals will be within Rs. 5000 and the Brigade

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states that Leaf tea cost may be kept on a temporary basis pending the reorganisation of the Forces of the Dept. It may be possible to find funds for the additional expenditure by reappropriation and the question of funds to be provided for the Mily Dept does not require reference to the Legislative Council, as it relates to a non-votable head."

4) The scheme was considered in Council and the opinion of the Council is as follows:—

* para 11 in the G.I. file above referred to

"The principle of decentralisation of audit in the Mily Dept as explained in the Financial Secy's note dated the 16th July 1924 may be generally approved; it may be brought into operation at the time of the reorganisation of the Comptroller's office; proposals in respect of which may be reexamined and brought up some time before the next budget is considered."

5) The Lt. Governor's Dewan's note

paras 18 & 19 ante

Serial No

submitting the above opinion for His Highness' sanction explains that as the scheme of decentralisation of audit is connected with the transfer of work from the office of the Comptroller to that of the Chief Secretary it might be brought into operation in connection with the reorganisation of the Comptroller's office and that the details of the scheme of decentralisation would be worked out in connection with the reorganisation of the Comptroller's office & submitted for His Highness' sanction in due course. These proposals were approved by His Highness.

(5) Orders are solicited as to the action to be taken in the matter now.

(Illegible) this may be referred to the Finl Secy for his suggestions the views of the Comptroller would be helpful in the proposed enquiry

16/12/25

R (illegible)

16.12.25

H 1573 19/12

396 Finl: Sec:)

19.12.25

Note—Contn. Sheet

Serial No

8) The question of the general lines on which Military audit work should be decentralised has already been considered. Please see Mr. K. R. Krishnaswami Iyengar's note dated 14th June 1924 and my note dated 16th July 1924.

9) The points to be now settled are the following:-

(1) the date from which the new system should be brought into force;

(2) arrangements to be made for introducing the new system of decentralised audit;

and (3) additional establishment required in the Chief Commandant's Office for attending to the work under the new procedure.

10) Whether the new system should be brought into force before or after Mr. H.V.Srikantiah has acquired the necessary qualifications by passing the Departmental Examination and by studying the work of a Military Account Office in British India is another point to be decided. I do not think it is necessary to wait until he is confirmed after complying with these conditions. The arrangements to be made for transfer of work from the Comptroller's Office, the new registers to be kept in the Chief Commandant's Office for the performance of audit and accounts work in greater detail than is now done in the Comptroller's Office and the processes of the several items of work have all to be settled. Mr. Srikantiah cannot, I think, be expected to carry out these initial arrangements for introducing the new system and it is necessary

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necessary to ~~arrange for~~ entrust this work ~~under the supervision of~~ to an experienced assistant of the Comptroller.

(11) The new procedure may be brought into force from 1st July 1926 and all the arrangements necessary therefor worked out before that date.

(12) As regards the additional establishment required in the Chief Commandant's Office, proposals are contained in Mr. Krishnaswami Iyengar's note referred to above and my views on them, are stated in my note dated 16th July 1924. It would be well to tabulate all the items of work to be done under the new system and the establishment already available in the Chief Commandant's Office for attending to it and then determine the extra staff required. On this point, it is necessary to consult both the Chief Commandant and the Comptroller.

Ch Secy

(13) Chief Command. 6/1/26 Consult the C.C. & the Comptr.

(14) aft

(15) Draft post wise

(16) Done

The Comptroller to Government no G 5032 dated 11.1.1926 with reference to the note drawn up.

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by Mr K K Krishnaswamy regarding the decentralization of audit and accounts pertaining to the military Deptt enquires what arrangements have been made for transfer of work from this Office and requests him to furnish to Calculate all the items of work to be done under the new system this establishment available in the Chief Commandants Office and to intimate to this Office

2

The Chief Commandant MTO
No G 5033 dated 11.1.1926.
Forwards for necessary action
Copy of 1

2. From the Comptroller
No. Es. 8705 dated 23.1.26
States that the "words
Verandi" as well as the
extra establishment
required in connection
with the decentralisation of
audit has been detailed
in Mr. K. Krishnaswamy's
note and that of the introduction
of the scheme is sanctioned
Further details of working
processes will be settled
the Accounts Asst to G.S.

Note—Contn. Sheet

Serial No.

in consultation with his office & adds that in any case it is desirable to get working details drawn up by the Accounts officer of the Army Dept & then sent to his office for remarks.

17) If so orders for a copy of this letter may be sent to the Chief Command for furnishing "the working details" required to in the last sentence of the letter.

Submitted with reference para 12

A.
26/1/26. 18) Yes dft and sgd

Put

19) Draft put up.

20) Done and sgd

21.

The Chief Commandant M&S No G 5468 dated 29.1.26

In continuation of &1 forwards &c &2 and requests that the "working details" referred to therein may be furnished

Notes

Put A 30/1

NOTE—Contn. Sheet

10

Serial 42

Q

Habibs

Letter from the Chief Accountant No. C 2058/26-25 dated 19/3/26. Forwards the "working details" in connection with the proposed decentralisation of audit and accounts pertaining to the Military Dept & states that the working arrangement has been based on the existing staff of the accounts section of this office, and the permanent absorption of the 5 temporary hands sanctioned for 6 months on the transfer of 3 hands from the Comptroller's

21) Total no. of hands req. for working the new scheme is stated to be 22. The C.A. states that 19 hands are now available in this office and 3 have to be sent from the Comptroller's office. The details for the above 19 hands are as follows:—

12 permanent hands in the Account Branch of the C.A.'s office

5 temporary hands sanctioned up to 7th May 1926 -

1 Removal and accountant paid from the Removal funds

1 Clerk Supplies and Stat sanctioned till the end of

proposals in connection with this letter have been issued. The file on the subject is before the undersigned

7/4

NOTE—Contn. Sheet

WD 01264—GPB—40,000—17-12-25

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June 1926 wlgo dtd 9.7.647-8/
mily 115-25-3 dated 22.3.26.

22) Provision is made in the
next year's budget for the
12 permanent Lancers in
the Accounts Branch.
The provision required
for the 15 temporary Lancers
& the cloth Supplies Dresser Asst
is and the increase proposed
for the Head Accountant
and the Lancers audit
clerk is 4992 as shown on
page 13 of the enclosure to Bb's
letter —. As against this
amount, a provision of
Rs 25-00/- has been ordered
to be made in the budget 26-27
In case Bb's proposals for
Lancers are sanctioned, the budget
provision will have to be raised
from 2500 to 4992 —.

23) As regards improving the
Medical establishment of
the Regts as proposed by Bb
at an extra cost of 4760
per year, the Secy has noted
that if the existing Accounts
staff of the Regiments is [illegible]

NOTE—Contn. Sheet

Serial

Para 3 of the notes above.

of doing the work required by the revision of the establishment of Regimental offices should not be considered.

24) The Chief remark in the last para of his letter has stated that a copy of the "working details" has been sent to the Comptroller for necessary action. The Comptroller's remarks on these details may perhaps be called for.

25) Imperial Comptroller's remarks will be called for.

26) Ex a 270 (P.G.)

27) D/f

28) D/f put up.

29/3.29 Done

To Comptroller to quote No G 7874 dated 29.3.19.

NOTE—Contn. Sheet

WD 01264—GPB—40,000—17-12-25
App. F. III—2]

General and Revenue Secretariat

G.F. 2015 File No. 158 of 1925

Serial

States

For A 21/3.

With reference to A/3 States that the "working details" referred to therein have been received from the Chief Commandant M.D. and that a copy of the same is reported to have been forwarded to him for necessary action and requests him to furnish his remarks on these details

9 b. From the Comptroller No. T.R.B. 15.33/6 Furnishes his remarks as regards the "working details" & States that only one Law could be spared from his Secretariat & that also subordinate and not a Law as assumed in this Ding Demi Official Note —.

30 Submitted with reference to paras 11, 12 and 25 and 26 above —.

31) Orders are required (i) on the introduction of the decentralisation scheme from 1.1.1926 and (ii) on the extra staff that has to be sanctioned. The views of the Secretary

14

NOTE—Contn. Sheet

Financial and Revenue Secretariat

GF 4854 / 275 / 15-8

File No.

of 1925

Serial No.

And of the Chief Accountant as regards extra staff are contained in paras 12 and 21 to 23 above. The 6 proposes are extra staff of 6 Lands in addition to the 3 Lands proposed to be transferred from the Comptroller's office. The cost on account of these 6 additional Lands will also fall in Circle A pay to the Head Accountant and the Lascars audit clerk amounts to Rs 4992/- p.a. The Comptroller states that only one Land Can be spared from his office. There is only a provision of Rs 25 000/- in the next year's budget which can be availed of for the extra staff.

A.S.M.L
8/4/26.

From the Chief Accountant No. C. 204/24-28 dated 7.4 Forwarding a comparative statement showing the No. of Lands req

15

× including the Cloth Supplies Dy. Accountant whose retention is sanctioned only till the end of June 1926.

got back from the Undersecy. Cable

NOTE—Contn. Sheet

Serial No.

and the extra cost involved in working out the decentalization scheme as suggested in the Krishnaswamiengar's note as proposed in his letter of 19.3. States that in either case the no. of Lands required is 8 an Asst, 1 Chief Auditor, 1 Accountant and 1 pension clerk have sent from the Comptroller's office of the transferred Lands Dept being fixed in consultation the Comptroller and on the analogy of Lands sent to start the decentalization scheme the Educl Elect Departments.

32) As the questions relating to the decentalization of the Education & Electric were dealt with in the G.O. It is for orders if this question also may be transferred to

A. M.
9/4/26

Serial No.

9

33) Mr. Krishnaswami Iyengar's note on the decentralization of the Audit of the Military Department to which the present proposals are supplementary is found in the linked file 148 of 1924. (Flagged 'A' In the scheme outlined therein the Accounts Assistant to the Chief Commandant will be responsible for Audit of expenditure, payment of bills, maintenance of accounts, inspection of accounts in subordinate offices and advice to the Chief Commandant. The extra staff required for working the scheme is stated to be one cashier, one shroff, three accountants, and three clerks. Against these eight extra hands it was expected that one may be released from the Comptroller's Office. This extra staff was to be ~~in addition to~~ any alteration in the existing account's staff in the Regiments that might be considered desirable. It was suggested that each Regiment might require a competent Accountant on Rs.80 in place of the present clerks on perhaps Rs.25 each The total extra cost was expected to come to about Rs. 9,500 per annum.

34) The present proposals of the Chief Commandan provide for five extra men and an extra expenditure of Rs.252 on the present establishment. Against one man from the Comptroller's Office who is anticipated in Mr. Krishnaswami Iyengar's note to be available for being taken into the Military Department the Chief Commandant now proposes that three men should be withdrawn. The extra expenditure on the extra establishment is shown as less in the Chief Commandant's proposals but this is due to his taking credit for three men from the Comptroller's Office.

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Properly speaking the extra cost according to the Chief Commandant will be more than according to Mr. Krishnaswami Iyengar's note, for the pay proposed is in almost every case higher; also whereas Mr. Krishnaswami Iyengar Proposed that the present incompetent Accountants in the Regiments should be re-placed by competent men on higher pay, the Chief Commandant does not propose such replacement. The cost on this representation improving the pay of establishment according to the Chief Commandant's proposals is therefore Rs. 958 as against Mr. Krishnaswami Iyengar's estimate of Rs. 4,600 nearly.

35) The proposals may be sent for examination to the Financial Secretariat. It is also for consideration if orders may issue from that Secretariat as proposed on the question of Audit = Decentralizati for the Education and Electrical Departments were dealt with there.

Ch Secy
To this may be dealt with in the first Instance

FINANCIAL SECRETARIAT
2. APR. 1926

Fl Secy

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Serial No

37 This file relates to the decentralisation of military Accounts and the re-organization of the Accounts section of the Chief Commandant's Office. The Accounts and audit procedure to be followed in the Military Accounts Department after the decentralisation is adopted has also been discussed. The Financial Assistant to the Chief Commandant has in his note detailed the various items of work to be done in the Accounts section of his office and what he thinks would be the proper distribution of work amongst the Officials and what exactly are the items of work that ought to be done.

38 The question of audit and accounts procedure has of course been mixed up ~~and~~ with the additional establishment required for getting through the work and ~~incidentally of course~~ incidentally with the re-organization of the pay of the officials is also discussed. The Chief Commandant proposes that the same scale as was allowed to the Officials in the Comptroller's Office according to the recent re-organization may be adopted.

39 I am sorry there has been some inevitable delay in the disposal of this file but this was unavoidable I had to go through the previous papers in this file carefully and I was very busy with the Budget and other heavy work in the Branch pertaining to this earlier.

40 The points for orders may be broadly devided into two portions.

(1) The Scheme of Decentralisation and the Audit and Accounts procedure to be adopted (2) The establishment required therefor.

19

NOTE—Contn. Sheet

Serial No

4/ with regard to the scheme of decentralisation Mr. K.R. Krishnaswamy Iyengar in 1920 proposed a detailed scheme on the Government of India lines and some-how his proposals were not adopted presumably because the extra cost proposed was as much as ~~29~~ twenty nine thousand. Subsequently, however the idea of putting the military accounts Department on a proper basis was discussed owing to the very unsatisfactory nature of the accounts kept in the Department and it was proposed at one time even to import a British Indian Accounts Officer for this purpose. It was in this connection, after some discussion, ~~it was~~ decided to depute one of our own men to the military Accounts Offices and Mr. H.V. Srikantiah has been deputed accordingly. Kind attention is invited in this connection to paras 25, 26, 27, 28 and 29 of the Financial Secretary's Note, dated 8th August 1922 (vide Flaf X) and paras 54 and 55 in the files placed below (Flag Y). ~~When the scheme for decentralising audit in the in the important spending departments~~ When the scheme for decentralising audit in the important spending departments was considered and Mr. K.R. Krishnaswamy Iyengar was placed on Special Duty for this purpose to authorise a scheme of decentralisation, the three departments proposed were Education, Electrical and the Military Departments.

4/ The present file is the result of the proposals of Mr. K.R. Krishnaswamy Iyengar in respect of the Military Department (Vide Flag W) In his present note Mr. K.R. Krishnaswamy Iyengar confines his

NOTE—Contn. Sheet

20

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attention mainly to the Headquarters Accounts Section does not deal with the accounts of the Units. With regard to these he simply states that the Accounts Staff of the regiment have to be improved and urges the necessity for adopting a qualified Accountant to each regiment.

43 The whole problem of the decentralisation of the Military Accounts Department should it is submitted be considered as one unit and we cannot, therefore, take them in two stages one relating to Headquarters Office and the other relating to the Regimental Units With regard to the Decentralisation in the Headquarte office the only items of work relating to units that are proposed to be done are what was being done previousl in the Comptroller's Office and for doing this work the Chief Commandant proposes the appointment of 7 more hands of which five are now existing being continued on a temporary basis and two more are proposed to be appointed in addition to the one hand to be transferred from the Comptroller's Office.

~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~

The Chief Commandant however states that all the three extra men should come from the Comptroller's Office.

44 The Distribution of work amongst the several hands is given in pages one and two of the Military Assistant's note (Flag w). As I have no personal experience of the work in this office I do not want to offer any remarks regarding the details of work proposed, but it appears to me that the distribution does not give sufficient work to the hands proposed

acc — ?

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and the number of men appear to be too many for the work and therefore capable of reduction.

45 Two senior Auditors are also proposed to be given for Local Audit. There are only 14 different offices to be inspected and why two are necessary is not also clear especially when it is ~~xxxx~~ remembered that each of these offices is to be ~~manned~~ manned by a competent accounts staff both under the disciplinary and Audit control of the Accounts Assistant. It has already been stated that Mr. Srikantiah has recently been deputed to British Indian Military Accounts Offices for studying the methods of work there and it is probable that on his return he may revise his opinions about the distribution of work and the necessity for so many hands. It is, therefore, perhaps better that the issue of final orders relating to the distribution of work and establishment required be deferred till he returns from deputation. In the meanwhile, however, general orders relating to the decentralisation as was issued in the case of the Electrical and Educational Departments may be issued in the case of the Military Department also and the procedure of making the Military Accounts Department a separate Accounts ~~unit~~ unit submitting a detailed abstract of receipt and disbursements to the Comptroller's may be approved As in the case of the Education and Electrical Departments the Financial Assistant to the Chief Commandant will be under the disciplinary control of the Chief Commandant but will be subordinate to the Comptroller in all Audit and Accounts matters. If cases arise ~~if~~ in which the Chief Commandant does not accept the opinion of the

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Financial Assistant he will issue written orders which should be carried out by the latter and the same reported to the Comptroller for such action as he considers necessary

All Bills which under the rules of the Department are to be submitted to the Chief Commandant for sanction or countersignature will be paid after preaudit by cheques as in the case of the Electrical and Education Departments.

An annual examination of the Accounts and Audit of the Financial Branch may be insisted upon in order to examine that the work is being properly performed and that audit against sanctions and appropriation is being carefully conducted.

The detailed Audit of all kinds of expenditure of the Military Department will be conducted in the Financial Branch of the Chief Commandant's Office. Separate orders may issue with regard to the systems of audit of the several classes of expenditure keeping in view the necessity for exercising an effective control over the financial operations of the Department. The details of procedure will have to depend on the orders of Government regarding the introduction of the re-organization in the Accounts of the Units also.

Arrangements will be made for the submission by the Treasuries to the Financial Branch of the Chief Commandant's Office all paid bills subject to post audit. The Financial Assistant to the Chief Commandant will submit monthly to the Comptroller an Audited account of receipts and disbursements and also such other accounts as the Comptroller may require.

46 The other point requiring orders is about bringing into line the accounts Section in the various units. This appears to be very important as there is no use in having a highly efficient system of audit in the head office if the subordinate accounting offices do not have qualified men and the

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accounts and returns are not submitted in proper form Any scheme of decentralisation to be effective should take also this aspect of the question into account. It is understood that at present ~~xxxxxxxxxxxxxxxxxxx~~ the accounts in the units are anything but satisfactory. On this point also the papers may be referred back for the opinion of the Accounts Assistant and submission of a scheme which will bring the accounting in the units also into line with the accounting adopted in the head office. With a system of preaudit and payment by cheques the detailed accounts and forms at present being kept in the units will necessirily ~~xxx~~ have to be modified and it is perhaps best that the whole thing is done simultaneously. The only other point remaining for orders is with regard to the pay to be allowed to the Staff. The Chief Commandant's proposal in this behalf to make it come into line with that sanctioned in the Comptroller's Office may be approved. This will facilitate transfers between the two departments. With regard to the extra cost involved on account of the scheme, in view of what is stated above viz., about the work proposed to various hands not being enough and there being a possibility of reduction in the strength it is not possible to calculate the extra cost. When the Chief Commandant submits revised proposals reducing the number of hands in the head office and reorganising the Staff both in the head office and in the units so that interchange of men between the head office and the units would be

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possible. He may be requested to submit also a proposition statement adopting the scale of pay given in the Comptroller's Office. If he agrees to the reduction in the number of hands the point of dispute between him and the Comptroller regarding the number of men to be spared from the Comptroller's office will also be solved. (It may, however, be stated that the transfer of work relating to the audit of pay bills and travelling allowances bills, etc., from the Comptroller's Office will mean so much relief to the Comptroller's Office although since this work was being done by men who do similar work with regard to other departments it will not be possible for the Comptroller to spare more men on this account.) The re-organization proposal may also take into account the improvement of the accounts staff in the different units and have a scale similar to the Head office so that it may be possible for the Accounts Assistants to post competent men amongst his staff to the units and vice versa.

47 To sum up:-

(i) The proposals regarding having a separate independent Financial Branch for the Military Department may be approved and orders issued accordingly on the lines issued in the case of the Education Department vide also para 45 above.

(ii) The details of the Audit and Accounts procedure to be adopted may be fixed up after Mr. H.V. Srikantiah now on deputation to British Military Accounts offices returns.

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(iii) The re-organization of the Accounts of the Regimental Units should be simultaneously taken up and proposals submitted to bring them into lines with the revised accounts procedure in the Head Office.

(iv) The scale of pay adopted for the Comptroller's office may be adopted. But the number of hands proposed appear to be too much and capable of reduction. The Chief Commandant will go into the matter and submit a revised proposition statement adopting the scale in the Comptroller's Office, the pay of the Accounts officials in the units also being correspondingly revised so that interchangeability between the Head Office and the Regimental Units may be secured.

B (B.S.R) 13/1/26

(Finance Dept 7185)

P.T.O

96

NOTE—Contn. Sheet

Serial No.

P.U.D.

Kind reference is invited to para 12 of the notes.

The Chief Commandant has furnished a memo of the working details of the new arrangement of decentralisation of audit with the additional establishmen of eight hands(as already proposed by Mr.Krishnaswami Iyengar).

In regard to the working details, the Comptroller has no suggestion to offer except with reference to one point, viz., the issue of military cheques in favour of Comptroller for adjustment of values of stores received from Madras and other arsenals. He states that an exchange account may be opened for adjusting such transactions. The Comptroller's opinion may be accepted.

Necessary modification in the working of the new arrangement may be made later on,as experience is gained by its working and after Mr.H.V.Srikantiah comes back from his deputation. Orders may now be passed as regards the additional establishment required for the Military Head Quarters office, to work the new scheme. The reorganisation of the accounts staff of the several regimental units and stores may be taken up separately after orders issue on the proposals relating to accounts staff of the Chief Commandant's office.

As regards the establishment, the Chief Commandant has proposed that two men in addition to one Accountant whom the Comptroller is willing to spare should be sent from the Comptroller's Office. To this proposal, the Comptroller does not agree. In

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the Chief Commandant's proposals, provision is made fo two inspectors on Rs.100 each, for local inspection of the Military Accounts. Mr.Krishnaswami Iyengar proposed only one Inspector for helping the Auditor in such inspection work and I think that, for the present, only one Inspector on Rs.100 may be provided for and the other hand cut out. With this modification, the Chief Commandant's proposals may be approved. The three men to be sent from the Comptroller's office may be nominally borne on that establishment and as, at present, the scale provides for only one man, it may be increased by the two additional hands who will have to be sent to the Military Accounts Department according to the above proposal. The pay of these 3 men may be as under:-

1 Accountant on Rs.65-100

2 Accounts Clerk on Rs.30-65

according to the Comptroller's office revised scale.

There is a provision of Rs.2,500 in the Military Budget for meeting the cost of five temporary men sanctioned in connection with the introduction of the new scheme of audit. The extra cost required over this provision, according to the above proposal, will have to be met from the lumpsum provision made for the Military Reorganisation.

A draft order will, if approved, be put up for consideration, sanctioning the introduction of the system of decentralisation of audit on the lines already decided with the establishment proposed by the Chief Commandant subject to the modifications above referred to.

2nd member 98 16.7.28

OFFICE OF THE SECOND MEMBER OF COUNCIL. 16 JULY 1926 No. 343.

NOTE—Contn. Sheet.

Serial No

I think the case may be dealt with on the following lines:-

Date from which the new arrangement may be adopted.- The Financial Branch of the Chief Commandant's Office may be formed with effect from 1st October 1926. All preliminary ~~arrange-~~ measures ~~ments~~ steps necessary for the conduct by the new Branch of audit, accounts and financial work of the Military Department may be arranged for before that date.

Establishment required for the Financial Branch.- I think that, in some cases, the establishment asked for is unnecessary. A hand for each of the following items of work is proposed:

1. Kunigal and Hessarghatta Grass Farms and Stables.
2. Travelling Allowance.
3. Public Works ~~Department~~.
4. Military Pensions
5. Chief Commandant's Office establishment, and Civil Pension.
6. ~~Chief~~ Budget ~~Clerk~~. Work
7. Remount Fund ~~Accountant~~. Accts

I do not think that a whole time hand is required for each of the above items of work.

No additional hands need be sanctioned for the present. The Branch may be formed with (1) the existing permanent hands of the Chief Commandant's Office, (2) such temporary hands of the same office as can be entertained within the lump sum provision of Rs 2,500 allowed for temporary establishment in the current year's budget, and, (3) one hand to be transferred from the Comptroller's Office. The temporary part of

the

Serial No

the establishment may remain as such until some experience is gained of the working of the new Branch and it is possible, with reference to tha experience, to say whether the whole or only a part of this establishment requires to be made permanent, or if any additional hands will be found necessary.

Pay to be allowed to the establishment.- The question of the revision of ~~the~~ pay of the staff need not be considered now The new Branc may be formed with hands on their present pay. What improvement in the present scale of pay is required, may be taken up for consideration afte the new Branch has been at work for about six months when the connected question of the strength of the establishment required by the Branch can also be settled.

Work to be defined

The details of audit, accounts and inspec tion work to be performed in respect of the dif ferent classes of transactions should be clearl defined and the whole arrangement for regulatin these items of work should be approved by the Comptroller.

Accounts and audit to be kept distinct.- The accounts and audit sections of the Financia Branch should be required to be kept independent of each other. (The enclosure to the Chief Com mandant's letter dated 19th March 1926 provides for this separation.)

General plan of decentralisation.- This will

30

Serial No

will be on the lines adopted in respect of the Electrical and Education Departments.

Accounts establishments of Regiments and Stores.- The question of improving the efficiency of these establishments may be taken up separately as suggested by the Financial Secretary.

A draft on the above lines may be put up.

DEWAN'S OFFICE. Received on 5. AUG. 1926 Reg. No 924

FINANCIAL SECRETARY 22 JULY 1926 No 53

FINANCIAL SECRETARY 31 JULY 1926 No 798

FINANCIAL SECRETARY 5 AUG. 1926 No 146

FINANCIAL SECRETARY 6 AUG. 1926

NOTE—Contd. Sheet

WD 01264—GPB—40,000 -17-12-25

[App. F. III—2

General and Revenue Secretariat

GF File No. 2515 of 1925 - 31

Serial No.

DEWAN'S OFFICE.
Received on
13. AUG. 1926
Reg. No. 1187.

FINANCIAL SECRETARY
9 AUG. 1926
No.

OFFICE OF THE SECOND MEMBER OF COUNCIL.
10 AUG. 1926
No. 1076.

FINANCIAL SECRETARY
12 AUG. 1926
No. 201

c/s. Fin — Mean the pass of Dewan's N
of 12th inst 1926.
Needful put-up a Skel. F.N.
h
6/8

~~On the Last time~~

A Draft Trial note is submitted for approval

received 9/8/26 HK 9/8/26

Bz
9/8

Fin Secy)
2nd member) — Trial note
Meeting — Typed fair copy
key) — Final put up.

h
9/8

F.N. Signed by the Member is put up.

Lees 11/8.

D.S.N. put up.

SN 12/8.

Dewan)

h
12/8

S.N. Signed.

Cy. 13/8

32

Final Note by the Second Member of Council.

Subject:—

Decentralisation of audit in the Military Department.

I beg to invite reference to the Submission Note of Sir Albion Banerji dated 12th November 1924 explaining the need for ~~the~~ decentralisation of audit in the Military Department and reporting that the Council had approved of the general principle of the arrangement. It was stated that details of the decentralisation scheme would be worked out in connection with the reorganization of the Comptroller's Office and submitted for His Highness' sanction in due course. Orders have since issued about the reorganization of the Comptroller's Office. The Chief Commandant has now submitted, in consultation with the Comptroller, proposals for introducing the scheme of decentralisation of audit in the Military Department. The accompanying draft order explains the details of the scheme. It has been approved by the Dewan.

2. It is proposed to introduce the new scheme with effect from 1st October 1926, with the existing permanent establishment of the Chief Commandant's Office, and such temporary hands as may be entertained within the provision of Rs 2,500 made in the budget for temporary establishment. The general plan of decentralisation in the Military Department will be on the lines adopted in respect of the Electrical and Education Departments. His Highness' gracious sanction is solicited to the issue of the order.

Bangalore,
11th August 1926.

M. N. Venkatarama Rao
MEMBER OF COUNCIL.

34

4878

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

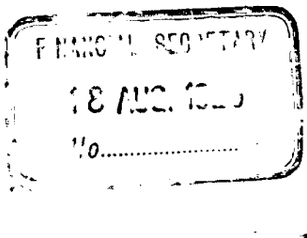
Draft Order on the decentralisation of audit in the Military Department.

191

Order.

KRW
14/8/26

35



Cheque Rec'd 18/8 for personal order before issue from Sec'tt. JRW Second Member. 16/8

1314 17/8 Issue (A.) 19/8 for Secy

JRW Secy 17/8 for 18.8.26

WD 01264—GPB—40,000 17-12-25

General and Revenue Secretariat

File No. 275 of 1925.

Serial No.

To The Comptr-
Chief Comdt
Hdqrs Dept
Copy comms offrs
Secretariat for

2 Govt of India order No. 527-86 dated 21.8.26

Govt of India's formation with effect from 1st Oct 1926 of a financial branch within the military department and directs that before that date all preliminary measures necessary for the conduct of audit accounts and financial work of the military department should be settled by that date

Hdqrs

B
24/8/26

The Regd file may be returned to the Hdqrs Secretariat

24/8/26

36

[APP. F. VI. Gl.]

SUBJECT.....

Diary No. of letter replied to...

General and Revenue Secretariat

( )

the 192

Date of issue...

Signed by...

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Seria No.

No.

To The Comptroller

Sir

With reference to your letter no. 60 Es dated 10. 7. 1925 forwarding the note drawn up by Mr. K. R. Krishnaswami Iyengar on the decentralization of audit and accounts pertaining to the Army Dept, I am directed to enquire what arrangements have to be made for transfer of work from the

over

P.T.O.

37

Comptrollers Your office,
what new registers are
to be kept in the Chief Comdt's
office for the performance of
audit and accounts work
in greater detail than is
now done in your office and
what the processes of the
several items of work are.
For determining ~~As regards~~ the additional
establishment required in
the Chief Comdt's office
for giving effect to the new
arrangement, I am
to request you to kindly
tabulate all the items of
work to be done under the
new system and the establish-
-ment already available
in the Chief Comdt's office
for attending to it. This
information may be furnished
in Consultation with the
Chief Comdt if necessary.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

The favour of a very early reply is requested

I have etc

hw
8/7
for Chief Secy

Memo G 5033 9 11/1/26.

Attached Memo No G.5033 dated 11.1.26 from the Chief Secretary to Govt to the Chief Commanding Assam Rifle Troops

Copy of the above is forwarded with compliments to the Chief Commissioner Assam for necessary action

BO
hw
8/7
for Chief Sec

38

31854

WD 0663—GPP—6000—11-9-25

C. O. 42. Gl.

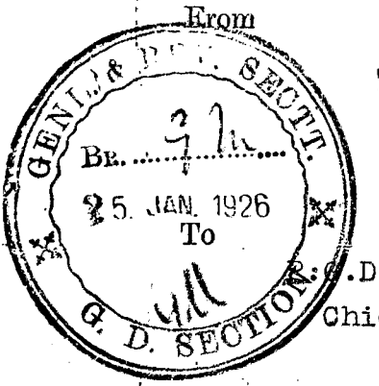
OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. Es.845.

Bangalore, Dated... ...23rd January... ...1926.

From

T. SATYARAJ CHETTY, Esq., B. A.,
Comptroller to the Government of His Highness the Maharaja of Mysore,
Bangalore.



To

R. C. D'Souza Esq., B.A., B.L.,
Chief Secretary to the Government of Mysore,
Bangalore.

Sir,

With reference to your letter No.G.5932/Milty.158-25-1 dated the 11th instant enquiring about the arrangements to be made for giving effect to the proposed decentralisation of audit and accounts pertaining to the Military Department, I have the honour to state that the "modus operandi" as well as the extra establishment required in this connection has been clearly detailed in Mr.K.R.Krishnaswami Aiyengar's note and that, if the introduction of the scheme is sanction-ed by Government, furtner details of working processes will be settled by the Accounts Assistant to the Chief Commandant in consultation with this office, as has recently been done in the case of the Education and the Electrical Departments. In any case, it is desirable to get such working details drawn up in the first instance by the Accounts Officer of the Department concerned and then sent to this office for remarks.

I have the honor to be,
Sir,
Your most obedient servant,

T. Satyaraj Chetty

Comptroller.

U.

39

APP. F. VI. Gl.]

SUBJECT.....

Section Mily
File No. 158-25
Seria No. 3
No. 5468/Sec/1

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192

Date of issue 29/1/26

Signed by Mr. T.V.J

To The Chief Secretary to Govt. of Mysore

Sir

In Continuation of this office memo No. 5033 dated 11.1.26 I am directed to forward herewith a copy of letter No. Es. 845 dated 23.1.1926 from the Comptroller re the arrangements necessary for giving effect to the proposed decentralisation of audit and accounts pertaining to the Mily Dept, and to request that the "working details"

List of enclosures.....

Copied by

Examined by 29/1

over

WD 0562—GPB—31,000—17-8-25

referred to in the last sentence
of the letter may be kindly
furnished at an early date.

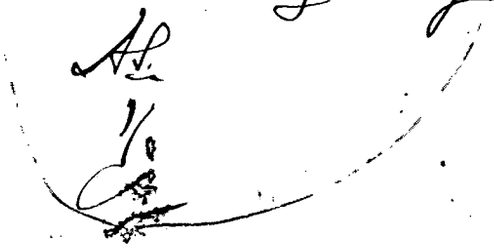
I Lane etc

Dec 98/1

For Chief Secy

A.L.

1/



" WORKING PROCESS" OF THE DECENTRALISATION SCHEME OF MILITARY ACCOUNTS.

****

The Decentralisation scheme contemplates the constitution of a Financial Branch in the Chief Commandant's Office under the charge of an Auditor of Military Accounts. The main functions of the Branch will be to audit the bills of the Military Department such as pay, Travelling allowance, supply, contingencies, Public Works Department and other Miscellaneous claims, to maintain or compile the accounts of receipts and expenditures of the Department, to make necessary payments by means of cheques and finally to afford the required assistance to the executive section in the matter of exercising proper control over the Financial transactions of the Department.

With a view to carry out the above functions --- efficiently, the Branch may be organised under the following sections :-

1. General.
2. Inspection.
3. Audit.
4. Accounts.
5. Pay.

The details of the staff required for each section are as follows :-

General.

Head Accountant	Pay 100	(Chief Commandant 's office.) (at present Rs.82/- only)

Inspection

1 Inspecting of accounts	100	-do-
1 -do-	100	-do-

Audit section.

Chief Auditor or the passing Officer (?) (Comptroller's office)

Other audit clerks.

Lancers	65	(Chief Commandant's office) (at present Rs.62/- only)
Mysore Horse and Transport Corps	40	(Chief Commandant's office)
Infantry	40	-do-
Kunigal, Hesserghatta Grass Farm and Stables	35	-do-
Equipment and miscellaneous (Cloth Supplies Fund).	40	-do- (o.o.n° c453 24-25
Travelling allowance	35	-do- 23-2-2645
Public Works Department	55	-do- Chief Engg)
Military pension	?	(Comptroller's office)
Chief Commandant's office Establishment and Civil pension	35	(Chief Commandant's office)

Compilation and accounts section.

Chief Budget clerk	85	(Chief Commandant's office)
1 Accountant	?	(Comptroller's office)
1 -do-	35	(Chief Commandant's office)
4 Fund Accountants	60	-do-
	50	-do-
	40	-do-
1 Remount Fund Accountant	55	-do- (paid from the Fund)

Pay Section.

1 Cashier	45	-do-
1 Assistant Cashier	20	-do-

(Total number of hands 22 of which 19 available from the Chief Commandant's office and 3 from Comptroller's office.)

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I. General

The Head Accountant will be in direct charge of all sections and will be responsible for the efficient conduct of the work of the Branch as a whole. All letters and papers into and out of the Branch will pass through him. He will have a general control over the staff of the Branch.

II. Inspection

The Inspecting Accountants will periodically visit the Regiments and other subordinate offices of the Department and conduct detailed audit of accounts maintained at the Regimental and other offices. This represents the external audit section of the Branch.

III. Audit section - internal.

This section will consist of a Chief Auditor or the passing Officer and 9 audit clerks, as detailed in the statement on page 2. Each audit clerk will maintain the necessary audit register after checking the bill and noting the same will enface it with the necessary pass order stamps and pass it on to the Chief Auditor who will recheck it finally, before authorising payment thereof.

The following are the details connected with the audit, compilation and payment of the important kinds of bills presented at the Financial Branch.

Pay bills.

1. Salary bills of Gazetted Officers will be presented to the Financial Branch for pre-audit and after the necessary audit, a cheque will be issued in favour of the Officer concerned. The audit work will be done by the Establishment clerk maintaining the required audit register.

2. Pay bills of Regiments and others - Pay bill of each Unit along with the enlistment and dismissal statement, absentee state-

with Insurance & State Provident Fund Recovery Statements

statements after being noted in the miscellaneous section, will be given over to the auditors concerned. The pay bill will be checked in detail with reference to enclosures as also to the sanctioned - scale etc., The charges and recoveries will be classified and the enfacement noted therein. The necessary audit registers will be - maintained by the different clerks concerned. The pay bills with the enclosures will be transferred to the cash section for issuing the cheques. The cash section after issuing cheques and noting in the registers concerned will pass them on to the compilation section. Compilation section will post the figures in the various registers concerned and also in the monthly accounts to be sent to Comptroller. The pay bills with enclosures will then be sent to Miscellaneous -- section. The miscellaneous section will retain for record the pay bill etc., while cheques will be sent to the Commandants concerned. The Insurance and Provident Fund recovery statements will be forwarde to the Comptroller along with the monthly accounts in support of - entries noted therein (Objection slips will be issued in case of - disallowance, if any, by the audit clerks concerned.)

3. Travelling allowance bill.

The Travelling allowance bills, after being registered in the miscellaneous section will be sent on to the auditors concerned - who will check and note therein disallowance, if any, with proper - reasons. Objection slips will be issued in case of disallowance noting them in the audit register. The bills are then passed to cas section for issuing the cheques. The cash section will note in the registers and pass the Travelling allowance bills with cheques to - compilation section where the figures will be transcribed to the - registers concerned. Then the audited Travelling allowance bills with cheques will be passed on to the miscellaneous section. The miscellaneous section will file the Travelling allowance bills and forward the cheques to the Units concerned.

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4. Contingencies.

The method of drawing the contingent amount on abstract

on abstract contingent bill will be discontinued. All expenditure incurred will be met from the Imprest and charges claimed in the - Detailed Contingent bill for recoupment of Imprest in the Units - concerned. The procedure to be followed in the case of contingent bills will be same as that prescribed for Travelling allowance bills.

5. Equipment and miscellaneous bills.

The equipment bills and the ~~contractors~~ miscellaneous & Stores bills will be first received in the Military Stores. The bills after being checked in the stores, will be forwarded to Chief Commandant's office with - stock acceptance and other necessary certificates. The bills will be registered in the miscellaneous department and given to the auditor. The bills will be checked by reference to tendered rates and the proper - sanctioning authority for purchase made. Then the enfacements will be noted, necessary entries being made in the equipment and other --- registers concerned. They will next be passed on to cash section, where, after being entered in the registers concerned, cheques will be issued in favour of the parties concerned. The bills are then passed on to compilation section, where entries in the several registers will be made and also in the monthly accounts. Then the bills with cheques will be sent to miscellaneous section where bills will be recorded and cheques forwarded to the parties concerned. In the case of bills for free issues, the auditor will check and note the authority and then - draw up necessary transfer entry or adjustment memos. The bills will then go to the compilation section where the figures will be posted in the registers and brought on the monthly account. The bills will be preserved in the miscellaneous section.

6. Supply bills of regiments.

Supply bills relating to gram, grass etc., supplied to the regiments will, after being recorded and accepted duly at the - regiments or offices with necessary stock certificate etc., be audited in the audit section, the same procedure as that of equipment bills stated above being followed.

7. Public Works bills.

The auditor concerned will maintain the following:-

1. List of works sanctioned.
2. List of bills to be passed.
3. Register of bills passed.
4. Registers,

Adjustment register
Advice of transfer
Acceptance of transfer
Register of measurement books.

On the completion of the works, the contractors bills with the measurement books, which will have been checked and certifi by the suboverseer and the Officer Commanding the regiment or other head of the office, will be presented to the Financial Branch. The bills will be checked in detail with reference to sanctioned estimat and schedule of rates and then passed for payment. All details wi be noted in the respective registers maintained for the purpose. Th enfaced bills will be made over to the cash section where cheques w be issued to the parties concerned. The bills will then be passed to compilation section, where the figures will be transcribed into registers and the monthly accounts to be sent to the Comptroller. bills etc., will be finally sent over to the Record section for fi

8. Military Pensions.

After the sheet rolls are received from units, duly recommended and attested by the Officer Commanding, the accountan will verify the service in detail, make the necessary entries in pension or gratuity registers and prepare the necessary pension tickets. He will also maintain the required audit register for recording the payments authorised. Tickets are then despatched Treasuries concerned, necessary intimation slips being sent to Of Commanding's concerned.

9. Establishment and Civil Pensions.

The Accountant will maintain the schedule and grad list of the Chief Commandant's office and of the regiments and o

and other offices. He will prepare the Establishment bill of the - Chief Commandant's office and will audit the Civil pensions of the Department, maintaining the necessary registers.

IV. Accounts section.

Chief Budget clerk and other accountants.

Compilation :- This section will maintain the classified abstract of all receipts and expenditures relating to the ~~budget~~ Service and Debt heads with subsidiary registers. The complete responsibility for proper accounting rests mainly with this section. The monthly ---- accounts to be sent to Comptroller will contain the classified receipts and charges under various heads both under ~~budget~~ Service and Debt. One of the accountants will maintain a register of receipts of the Department classified under proper budget heads. He will also watch that the realisations under income from Kunigal Stud Farm and Hesserghatta Farm and Military works properly correspond with the demands thereof.

Fund accounts.

1. Remount
2. Equipment
3. Provident

1. Remount Fund.

The necessary cash book and the ledgers will be maintained and all recoveries on account of donations and subscription will be entered in the cash books as well as in the personal ledgers by --- reference to the monthly deduction statements. The withdrawal applications received from the units after being checked with the ledger - accounts and also being verified finally with regard to Government - dues etc., and after obtaining the necessary sanction, will be passed on to the cash section where cheques will be issued in favour of the Commandants and then passed on to the compilation section where the figures will be transcribed to the various registers. The figures will be classified and brought on the monthly account. Then the application

W6749

Then the applications will be finally sent to miscellaneous section for record.

Equipment.

The Accountant concerned will maintain the required books post ~~all~~ the issues & recoveries from the statements received from the various units and note the charges, incurred from this fund as per complete details noted against equipment and miscellaneous bills. The following are the main books to be maintained. The equipment cash book, the Journal and the equipment ledger, the trial balance book. Every month, a Trial balance is to bedrawn up, so that the assets and liabilities of the equipment fund may be correctly ascertained, watching at the same time the recoveries outstanding and the payments on account of liabilities.

All the figures regarding equipment will be classified in the compilation section and will be brought on in the monthly accounts to be sent to Comptroller.

Provident Fund.

The Accountants concerned will maintain the cash book and the individual ledgers wherein subscriptions as well as recoveries towards advances will be noted. The advances sanctioned from time to time will be noted against the columns provided for the purpose. Interest will be calculated once a year (financial) the interest being added on to the total amount at credit of the party. In the case of advances, the Commandants will forward advance application forms giving complete details. The loan applications will be checked and enfacements noted and then passed on to the cash section where cheques will be issued in favour of the Commandants concerned. The cheques and the advance application forms will be sent over to the compilation section where necessary note will be made in the respective registers. ~~These figures will be sent to Comptroller.~~ The cheques will be sent to miscellaneous section for despatch, while the loan application forms will be filed.

50

V. Cash section.

V. Cash section.

This section will maintain general and Imprest cash books, analyse the daily transactions and maintain the necessary - analysis registers and issue Military and Personal Deposit cheques. It will also maintain the acquittance roll of office establishment and be responsible for the proper disbursement of their pay.

Stores received from Madras and other Arsenals.

Bills for articles received from the British Depots and despatched to other departments such as Palace, Police and Jail will be dealt with as follows :-

Delivery and receipt vouchers for supplies made from the Arsenal will be received first in Chief Commandant's office. They - will be transmitted to Military Stores for verification and stock - certificate. The vouchers will be duly checked by the Superintenden and returned to Chief Commandant's office with necessary certificates noted thereon. The delivery and receipt vouchers with stock certificate relating to other departments will be ~~transferred~~ submitted to Chief --- Secretary who will have them adjusted though the Departments concerned

In the case of delivery vouchers relating to the - Military Department after they are receipted with stock certificate etc., by the stores Superintendent, they will be handed over to the Equipment accountant who will note in the respective registers and - then pass them on to cash section. Cash section after noting in the registers, will issue Military cheques in favour of Comptroller. The vouchers with cheques will be sent on to compilation section. The compilation section will note the cheques in the books and bring the items to the monthly account. Then they are passed on to ---- miscellaneous section. The cheques with supporting vouchers will be forwarded to Comptroller while retaining for record duplicate vouchers with necessary records connected therewith.

General

51

General

By adopting the procedure detailed above, all charges incurred in the Military Department will be accounted for by cheques system and the monthly account into which they are classified. As regards receipts and recoveries relating to this department the suggestion made by Mr. K.R.Krishnaswamy Iyengar in his note that all monies received by the various units in Bangalore may be remitted to Chief Commandant's office is very convenient for account procedure. But in the case of ~~accounts~~ amounts recovered in cash in Units other than Bangalore it would be safest if all these amounts are received direct in Chief Commandant's office, so that all transactions will find entry direct in Chief Commandant's books. This will result in proper classification of all receipts relating to the Military Department. To facilitate this method, there should not be any objection for granting Remittance Transfer Receipts in favour of the Chief Commandant for amounts presented in the treasuries by the various units of the Military Department.

It may not be out of place to note here one or two points raised by Mr.K.R.Krishnaswamy Iyengar in his note relating to the Establishment in Chief Commandant's office and regiments.

Referring to Chief Secretary's letter No.G.~~3435-6~~ 5032/Mily 158-25-1 ~~42-25-2~~ dated ~~10th November 1925~~ 11th January 1926, it is seen that the proposals have to take into consideration the present staff available in Chief Commandant's office and also the additional hands to be transferred from the Comptroller's office to the Financial Branch of this Department. ~~on~~ Page 2 shows that 19 hands will be available in Chief Commandant's office and that 3 hands (a Chief Auditor, an audit clerk for pensions and a clerk for compilation work) are required from Comptroller's office. The distribution list, as shown, has also taken into account the absorption permanently of the 5 hands as sanctioned by Government temporarily pending decentralisation scheme as per Government Order No.G.3435-6/Mily.42-25-2 of 10th November 1925. So, apart from the extra cost involved in transferring the 3 hands from the

SV

3 hands from the Comptroller's office and in the permanent absorption of 5 temporary hands and some slight increase in the case of Head - Accountant and Mysore Lancers' clerk, no extra provision has been made for the revision of the pay of the establishment in general of the Financial Branch, which revision seems necessary in view of the --- increased work and responsibility to be entrusted to them under the Decentralisation scheme. The matter will have to be taken up after considering the amount of extra work and responsibility that will - arise after the system is worked for some months.

The Decentralisation scheme no doubt brings about - efficiency in the audit, the accounts keeping and the controlling of finances of the Department by means of detailed internal audit and - periodical external audit, but the required efficiency aimed at may not be realised in full unless it takes into consideration the --- improvement of the existing staff, particularly the accounts staff, of the regiments where the initial accounts originate. Mr.K.R.Krishna-swamy Iyengar's note allocates one Senior Accountant on Rs.80/- to each regiment in the place of one on Rs.25/-. Taking this as the basis and assuming that the extra amount of Rs.55/- for each regiment would be made available for the increase of pay of the Regimental - staff, the following revision is proposed for favourable consideratio

53

P.T.O.

To be rounded off to Rs. 300 marks

Regiment.		The existing	Proposal	
Lancers.	1 Head clerk	67	75	
	1 " Accountant	55	65	
	2 Squadron writers	36	40	
		36	40	
			40	(4)
			40	
	Office writer	25	30	
	Allowance to 2 Combatant writers	28	0	
		247	330	
		+55		
		302		+28
Mysore Horse.	1 Surpeishcar	45	60	
	3 Squadron writers	36	40	
		36	40	
		36 + 4 P.A.	40 + 4 P.A.	
	1 Regimental writer	30	35	
		20	30	
		207	249	
		+55		
		262		-13
3 Infantries	1 Vakil	35	50	
	2 clerks	25	35	
	"	25	35	
	2 "	23	30	
	"	23	30	
	1 "	20	25	
		151	205 x (3)	
		+55		
		206 x (3)		-3
Transport Corps -	Chief Clerk and Accountant	55	65	
	Clerk	30	40	
	"	30	40	
		115	145	
		+55		
		170		-25

Similarly Mr.K.R.Krishnaswamy Iyengar in this note contemplate the allocation of one Senior Accountant on Rs.80/- to the Military Stores also. Such a Senior hand in charge of Stores accounts is necessary in as much as the stores accounts requires complete overhauling and putting on a right basis. In place of one of ordinary hands, a Senior Accountant on Rs.80/- may be sanctioned to the Military Stores.

Print this at the Place marked x x y

Extra cost.

Office	Existing	Proposed	Difference
Head Accountant	82	100	18
Audit Clerk, mysore Lancers	62	65	3
Temporary hands			100
			100
			85
			35
			35
			376 per
			x 12
			4512 per

Extra cost for Cloth supplies and Auto Ordnance —

Regiments etc.,

Lancers	247	330	
Mysore Horse	207	249	
Infantry 151 x 3	453 — 205 x 3	615	
Transport Corps	115	145	
Stores	0	80	
	1022	1419	
		1022	
		397 per month	
		X 12	
		4764 per year.	

C.S. Kuppuswamy Sup

Chief Commandant,
Mysore State Troops

[PP. F. VI. Gl.]

SUBJECT.....

.....

.....

Std — | from 15 Govern

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192

Date of issue 29/3/26

Signed by Mr. M.V.J

List of enclosures.....

Copied by 29/3/26

Examined by.....

Letter No. G7874 Dated 29-3-26 ~~C.....~~ Chief Secretary to ... to the Comptroller to Govt.

Section Mily

File No. 158-25

Serial No. 5

No. G7874

To The Comptroller

Sir,

With reference to your letter No. Gs. 84 dated 23.1.1926 re the decentralisation of audit and accounts pertaining to the Mily Dept., I am directed to state that the "working details" referred therein have been received from the Chief Engineer and that a copy of the same ~~the working details~~ has

over

reported to have been
forwarded to you
for necessary action.
I am to request you
to kindly furnish
your remarks on these
details at an early
date—

Yours etc

for Chief Secy

41486

Gen 4854

WD 0663—GPP—6000—11-9-25

C. O. 42. Gl.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. TAD.B.1533.

Bangalore, Dated... 6th April *192*6.

Mily file 15-8-25-G-

From

T. SATYARAJ CHETTY, Esq., B. A.,
Comptroller to the Government of His Highness the Maharaja of Mysore, Bangalore.

GENL. & REV. SECTT. Br. 7. APR. 1926 G. D. SECTION.

To

F.G.D'Souza Esq., B.A., B.L.,
Chief Secretary to the Government of Mysore,
Bangalore.

Letter No. T.A.D.B 1533 Dated 6th April 26 from Comptroller to the Chief Secretary to Govt.

Sir,

With reference to the Chief Commandant's letter No.C.204 dated 19th March 1926 addressed to you furnishing the working details in connection with the proposed Decentralisation of audit and accounts pertaining to the Military Department copy of which has been forwarded to me for information, I have the honour to state that I have gone through the same and I have no remarks to offer except in respect of the following two points. It is proposed that Military cheques in favour of the Comptroller may be issued for adjustment of the value of stores received from the Madras and other Arsenals (Vide para 9 of the Chief Commandant's note). This office cannot receive any cheques. As after the introduction of the Decentralisation of audit and accounts of the Military Department an exchange head will be opened such transactions will be operated upon through that head.

2. In regard to the establishment to be released from this office, only one hand could be spared from this office, when the decentralisation of audit is introduced, as already explained in the last para of Mr.K.R. Krishnaswamiengar's note dated 14th June 1924 which was forwarded to the Financial Secretary to Government with this office letter No.60/ES. dated 10th July 1924 and not three hands as assumed in the Chief Commandant's note.

I have the honor to be,
Sir,
Your most obedient servant,
T. Satyaraj Chetty
Comptroller.

U.

41669

MYSORE STATE TROOPS.

Tel. Address.
STATROOPS
No. C 204/24-25

OFFICE OF THE CHIEF COMMANDANT,

Bangalore, dated 7-4- 1926.

GENL. & REV. SECTT. Br. SM 8. APR. 1926 TO D. SECTION.

DIARY NO. 1424/25
1925 — 1926
Section. G.P.
File No. 275-25

From C.S.Kuppuswamy Iyengar Esq,
Chief Commandant, (In charge)
Mysore State Troops, Bangalore.

To P.G.D'Souza Esq,B.A.,B.L.,
Chief Secretary to the Government of H.H.the Maharaja of Mysore.

Serial 1. Letter No C. 204/24-25 dated 7.4.26 from the Chief Commandant, Mysore State Troops to the Chief Secretary to G.

Sir,

With reference to correspondence ending with Comptroller's letter No.1533/T.A.D.B.dated 6-4-1926 addressed to you, (a copy of which has been kindly forwarded by him to this office) stating that only one hand, and not 3 hands, could be spared by him to work in this office in connection with the Decentralization of Audit and Accounts, I have the honor to forward herewith a comparative statement showing the number of hands required and the extra cost involved in working out the Decentralization Scheme as suggested in Mr.K.R.Krishnaswamy Iyengar's Note of 14-6-1924 and as proposed in my letter No.C.204/24-25 of 19-3-1926. It will be found that, in either case, the extra number of hands required to work out the scheme is eight, out of which the five hands alluded to in Government Order No.3435-C/Mily.32-25-2 dated 10-11-1925 may be --- treated as permanent, the other three hands, viz: 1 Chief Auditor to supervise the new Audit Section; 1 Accountant for compilation of Accounts; and 1 pension clerk, have to be sent from the Comptroller's Office out of the trained hands, there being none in this office acquainted with the new items of work to be hereafter done in this office.

I beg to say that I have not taken into account the pay of the said three men to be sent from the Comptroller's Office and it may kindly

be fixed in consultation with the Comptroller and on the analogy of the hands sent to work out the Decentralization Schemes in the --- education and Electric Departments. I beg, however, to suggest that, in the interests of Audit and compilation work, it is essential that the scale of pay of the new appointments, entailed by the introduction of Decentralization of Audit and Accounts of the Military Department, should be identical with those of the Comptroller's Office in order to facilitate frequent interchange of hands between the Comptroller's office and this office.

Finally, I beg to say that the Scheme can be worked out efficiently, only if the eight additional hands (proposed in this connection from the very commencement by more than one Account Officer detailed for duty in this Office) are kindly sanctioned by Government.

I have the honor to be,
Sir,
Your most obedient servant,

Chief Commandant I/C
Mysore State Troops.

P.B.

1

Comparative statement showing the number of hands and the cost thereof required for the extra Establishment for the working of the --- Decentralisation scheme of the Military Department.

Chief Commandant's proposal,		Mr. K.R. Krishnaswamy Iyengar's Note.		
2 on Rs.100/-	... Rs.200/-	1 Cashier ...		Rs. 50/-
1 on Rs. 85/-	... Rs. 85/-	1 Shroff ...		Rs. 30/-
2 on Rs. 35/-	... Rs. 70/-	2 Accountants 70-5-100 ×3-1	Rs.184	92
				92
		3 Clerks 30-5/2-65	Rs.147	49
				49
				49
	Rs.355			Rs.411

Extra cost proposed for the existing permanent Establishment

Head Accountant	Rs. 18/-	1 Hand from Comptroller's office ?
Lancers Accountant	Rs. 3/-	
	Rs.376	

3 Hands from Comptroller's office ?

8 Number of hands

8 Number of hands

59

Proceedings of the Government of
H. H. the Maharaja of Mysore.

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Read:-

A. Government Order No. G.4679-80/Mily. 98-1 13 dated 25th August 1919 directing the formation of a Central Military Accounts Office with a view to the simplification of Regimental Accounts and sanctioning the appointment of an Accounts Assistant to the Chief Commandant of the rank of Assistant Comptroller to attend to all accounts work in the Military Department.

P. W. D. 2. Correspondence ending with letter No. C. 204/24-25 dated 7th April 1926 from the Chief Commandant, submitting proposals in regard to the adoption of the Decentralization Scheme as suggested in Mr. K. R. Krishnaswamy Iyengar's note of 14th June 1924.

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Order No. Pl 15-27-84/G.P. 275-25-2.

Dated, Bangalore, the 21.1.8.....192

The formation of a Central Military Accounts Office as part of the Chief Commandant's Office under the charge of an Account Officer the grade of an Assistant Comptroller was sanctioned in 1919 and some improvements in the system of Regimental Accounts and scrutiny of the transactions of the Military Department have also been effected since.

The bulk of the audit work of the department

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continues to ~~be attended to in~~ to be performed by the Comptroller's Office.

2. The existing procedure militates against the effective financial administration of the ~~Mily~~ department by its Head. The organization within the Department itself of a Financial Branch under a qualified officer who can work as the Financial Adviser of the Chief Commandant, as the Accounting Officer of the Military Department and as the Officer in charge of internal audit of all its transactions is a ~~very~~ desirable measure of Reform. In view of these considerations, Government direct the formation of a Financial Branch within the Military Department ~~as part of its controlling organisation~~ with effect from 1st October 1926. The Comptroller and the Chief Commandant are requested to settle before that date all preliminary measures necessary for the conduct by the new Branch, of Audit, Accounts and Financial work of the Military Department.

under which much of the audit and accts work of the Military Dept is conducted in the Comptroller's Office

3. Establishment. - As regards the establishment required for the newly formed branch, the Chief Commandant requests an addition of 8 ~~hands~~ clerks and proposes increases of pay to the existing accounts staff. Government are not convinced that a ~~whole time~~ separate hand is necessary for each of the following items of work:-

1. Kunigal and Hessarghatta Grass Farms & Stables.
2. Travelling Allowance.
3. Public Works.
4. Military Pensions.
5. Chief Commandant's Office Establishment & Civil Pension.
6. Budget Works.
7. Remount Fund Accounts.

61.

They consider that for the present no additional hands are necessary and direct that the Branch be formed (1) with the existing permanent heads of the Chief Commandant's Office on their present pay, (2) such temporary hands as can be entertained within the lumpsum provision of Rs. 2,500 allowed for temporary establishment in the current year's budget and (3) one head to be transferred from the Comptroller's Office ~~in addition~~. The question of revising the pay of the permanent staff, of making the whole or part of the temporary establishment permanent ~~and or~~ of sanctioning additional hands if necessary ~~will be taken up for~~ may be considered after the Branch has been at work for about six months.

Page 159 of the Provisional Budget

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~~of the strength of the establishment required for the branch.~~

7 5. Work to be defined.- The Chief Commandant and the Comptroller are requested to see that the details of audit, accounts and inspection work to be performed in respect of the different classes of transactions are clearly defined.

5 6. General plan of decentralisation.- (a) The Accounts and Audit Sections of the newly formed Branch should be independent of each other.

(b) The Financial Branch of the Military Department will be placed under an officer of the Accounts Department who will work as an Assistant to the Chief Commandant.

His duties will be broadly classified under the following heads:-

(i) Financial Adviser to the Chief Commandant, Accounting Officer of the Military Department, and Officer in charge of internal Audit of the financial transactions of the ~~Military~~ Department.

(ii) In all matters relating to Audit and Accounts, the officer in charge of the Financial Branch should be guided by the instructions issued by the Comptroller. If cases arise in which the Chief Commandant does not accept the opinion of the Financial ~~branch~~ Assistant he will issue written orders which should be carried out by the latter and all instances of this kind should be reported at once to Comptroller for such action as he may consider necessary.

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(iii) The detailed audit of all kinds of expenditure of the department will be conducted in the Financial Branch instead of as hitherto in the Comptroller's office. ~~The audit of revenue and receipts of the Department should form part of the normal work of the Branch.~~ The system of audit of the several classes of payment and receipts should be on the lines settled by the Comptroller, keeping in view ~~of~~ the ~~peculiar~~ requirements of the department. An effective control over the stock transactions of the department is ~~very~~ essential.

(b) Arrangements will be made for submission by Treasuries to the Financial Branch of the Military department all paid military bills. Particular care should be taken for the safe custody of bills and vouchers while under audit as also after audit.

(d) The Financial Assistant to the Chief Commandant should submit monthly to the Comptroller an audited account of the Receipts and Expenditure of the Department and also such other accounts and returns as the Comptroller may require.

(e) All the bills which under the rules of the department are submitted to the Chief Commandant for sanction or countersignature and such other items as may be specially prescribed hereafter should be subject to preaudit.

(f) The Comptroller should arrange for the examination of the accounts and audit work of the Financial Branch of the Departm at least once a year ~~and submit a detailed report to Government.~~ His examination should

(i) A general scrutiny to see that the work is properly performed.

(ii) A special scrutiny to see that the scheme of appropriations is adhered to and that the points to be noticed in the Audit and Appropriation Reports are brought to his notice by the Financial Assistant. If for any reason, the examination of the accounts kept in the ~~sectional~~ Subordinate officers is considered necessary the Comptroller will arrange to have it made by his inspecting staff.

The Inspection by the Local Audit Staff of the offices noted in the margin will ~~cease~~. as already ordered in Lr of 11th March 1926 cease after 1st Oct 1926. The Financial Assistant should arrange for the proper audit and inspection of accounts of these offices.

1. Military Funds.
2. Do Stores.
3. Infantry Office, Bangalore.
4. Do Shimoga.
5. Do Mysore.
6. Imperial Service Regiment.
7. Imperial Service Transport Corps.
8. Mysore Horse.
9. Kunigal Stud Farm.
10. Hessarghatta Grass Farm.
11. Government Stables and Carriage Factory.

24/8/26

21.7.26
Financial Secy to Govt.

HK 30/7/26

To

The Comptroller to Government.
" Chief Commandant in Mysore.
" Heads of Departments.
" Deputy Commissioners of Districts.
" Secretaries to Government.
" Press Table.

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Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 1527-86—G. F. 275-25-2, Dated 21st August 1926.

Financial Branch.

Directs to the formation of a —— within the Chief Commandant's Office and defines its duties.

READ—

Government Order No. G. 4679-80—Mily. 98-15-13, dated 25th August 1919, directing the formation of a Central Military Accounts Office with a view to the simplification of Regimental Accounts and sanctioning the appointment of an Accounts Assistant to the Chief Commandant of the rank of Assistant Comptroller to attend to all accounts work in the Military Department.

2. Correspondence ending with letter No. C. 204—24-25, dated 7th April 1926, from the Chief Commandant, submitting proposals in regard to the adoption of the Decentralization Scheme as suggested in Mr. K. R. Krishnaswamy Iyengar's note of 14th June 1924.

ORDER NO. FL. 1527-86—G. F. 275-25-2, DATED 21ST AUGUST 1926.

The formation of a Central Military Accounts Office as part of the Chief Commandant's Office under the charge of an Account Officer of the grade of an Assistant Comptroller was sanctioned in 1919 and some improvements in the system of Regimental Accounts and scrutiny of the transactions of the Military Department have also been since effected.

2. The existing procedure under which much of the audit and accounts work of the Military Department is conducted in the Comptroller's Office militates against the effective financial administration of the Department by its head. The organisation within the Department itself of a Financial Branch under a qualified officer who can work as the Financial Adviser of the Chief Commandant, as the Accounting Officer of the Military Department and as the Officer in charge of the internal Audit of all its transactions is a desirable measure of reform. In view of these considerations, Government direct the formation of a Financial Branch within the Military Department with effect from 1st October 1926. The Comptroller and the Chief Commandant are requested to settle before that date all preliminary measures necessary for the conduct by the new Branch of Audit, Accounts and Financial Work of the Military Department.

3. *Establishment.*—As regards the establishment required for the newly formed Branch, the Chief Commandant requests an addition of eight officials and proposes increases of pay to the existing Accounts Staff. Government are not convinced that a separate hand is necessary for each of the following items of work:—

1. Kunigal and Hesserghatta Grass Farms and Stables.
2. Travelling Allowance.
3. Public Works.
4. Military Pensions.
5. Chief Commandant's Office Establishment and Civil Pension.
6. Budget Works.
7. Remount Fund Accounts.

66

They consider that for the present no additional hands are necessary and direct that the Branch be formed with (1) the existing permanent officials of the Chief Commandant's Office on their present pay, (2) such temporary hands as can be entertained within the lumpsum provision of Rs. 2,500 allowed for temporary establishment in the current year's Budget and (3) one official to be transferred from the Comptroller's Office. The question of revising the pay of the permanent staff, of making the whole or part of the temporary establishment permanent and of sanctioning additional hands if necessary may be considered after the Branch has been at work for about six months.

4. *Work to be defined.*—The Chief Commandant and the Comptroller are requested to see that the details of audit, accounts and inspection work to be performed in respect of the different classes of transactions are clearly defined.

5. *General plan of decentralization.*—(*a*) The Accounts and Audit Sections of the newly formed Branch should be independent of each other.

(*b*) The Financial Branch of the Military Department will be placed under an officer of the Accounts Department who will work as an Assistant to the Chief Commandant.

His duties will be broadly classified under the following heads :—

(i) Financial Adviser to the Chief Commandant, Accounting Officer of the Military Department and Officer in charge of internal Audit of the financial transactions of the Department.

(ii) In all matters relating to audit and accounts, the Officer in charge of the Financial Branch should be guided by the instructions issued by the Comptroller. If cases arise in which the Chief Commandant does not accept the opinion of the Financial Assistant he will issue written orders which should be carried out by the latter and all instances of this kind should be reported at once to Comptroller for such action as he may consider necessary.

(iii) The detailed audit of all kinds of expenditure of the department will be conducted in the Financial Branch instead of as hitherto in the Comptroller's Office. The audit of receipts of the Department should form part of the normal work of the Branch. The system of audit of the several classes of payment and receipts should be on the lines settled by the Comptroller, keeping in view the requirements of the Department. An effective control over the stock transactions of the department is essential.

(*c*) Arrangements will be made for submission by Treasuries to the Financial Branch of the Military Department all paid Military cheques and bills. Particular care should be taken for the safe custody of bills and vouchers while under audit as also after audit.

(*d*) The Financial Assistant to the Chief Commandant should submit monthly to the Comptroller an audited account of the receipts and expenditure of the Department and also such other accounts and returns as the Comptroller may require.

(*e*) All the bills which under the rules of the Department are submitted to the Chief Commandant for sanction or countersignature and such other claims as may be specially prescribed hereafter should be subjected to preaudit.

(*f*) The Comptroller should arrange for the examination of the accounts and audit work of the Financial Branch of the Department at least once a year. His examinations should keep the following objects in view :—

(i) A general scrutiny to see that the work is properly performed.

(ii) A special scrutiny to see that the scheme of appropriations is adhered to and that the points to be noticed in the audit and appropriation reports are brought to his notice by the Financial Assistant.

If for any reasons, the examination of the accounts kept in the subordinate offices is considered necessary, the Comptroller will arrange to have it made by his inspecting staff.

No. Fl. 1527-86—G. F. 275-25-2, dated 21st August 1926.

The inspection by the Local Audit Staff of the offices noted in the margin will as already ordered in Government Order of 11th March 1926 cease after 1st October 1926. The Financial Assistant should arrange for the proper audit and inspection of accounts of these offices.

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4. Infantry Office, Shimoga.
5. Do Mysore.
6. Imperial Service Regiment.
7. Imperial Service Transport Corps.
8. Mysore Horse.
9. Kunigal Stud Farm.
10. Hessarghatta Grass Farm.
11. Government Stables and Carriage Factory.

B. SREENIVASA IYENGAR,
Financial Secretary to Government.

To—The Comptroller to Government.
The Chief Commandant, Mysore State Troops.
The Heads of Departments.
The Deputy Commissioners of Districts.
The Secretaries to Government.
PRESS TABLE.

Exd.—P.S.R.N.

W D 439—GBP—605—1-9-26

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